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CAFTA: A Good Deal for Oklahoma Farmers
By Steve Kouplen

The Central American Free Trade Agreement will put money in the pockets of Oklahoma's farmers and ranchers because it provides a substantial competitive advantage to the United States.

When the trade agreement is fully implemented, tariffs on U.S. agriculture products purchased by CAFTA nations will decrease from between 15 and 43 percent to zero percent. This will result in \$1.5 billion in new U.S. agricultural sales to that region.

Trade with this region has been a one-way street for farmers and ranchers going in the wrong direction. Agricultural products from Central America enter the U.S. duty free. With this agreement we will be able to sell food and fiber to them without having to buy more in return, placing CAFTA in a rare neighborhood. Trade would now become a two-way street.

Countries included in the agreement are Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and the Dominican Republic.

According to the U.S. Department of Agriculture, Oklahoma will increase beef, pork, wheat and poultry exports to the six countries by \$25 million per year by 2024.

These are all economically important to our state. Currently beef provides more than half of our state's farm cash receipts at \$2.4 billion. Pork production is our third-largest source of farm cash receipts at \$442 million and we are the nation's fifth-largest exporter of wheat with state farm cash receipts exceeding \$443 million.

Poultry provides the fourth-largest source of farm income at \$379 million.

In addition, Oklahoma farmers and ranchers will sell about \$1 million more each year of dairy, cotton, feed grains, fruits and soybean products to Central America.

This is a win-win deal for Oklahoma agriculture. Our farmers and ranchers will have access to the Central American countries that is generally better than farmers in Canada, Europe and South America. This places us in a position to underprice competitors and boost market share for every major commodity, while giving our producers access equal to or greater than that of our competitors.

During a time when we are faced with increasing production costs, we cannot pass up this opportunity to increase sales. We have been working on CAFTA for several years. We encourage the U.S. House of Representatives to follow the Senate's leadership and pass CAFTA now.

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